

TOUGH TIMES TACTICS

By Sam W Stearman

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TIMES ARE NEVER BETTER TO GROW YOUR BUSINESS

I certainly agree that **Cash is King** and that companies are better off that

- Stay lean and mean
- Postpone and reduce spending whenever possible, as well as to
- Use outsourcing as a means to maintain a stable workforce.

Conventional wisdom during severe downturns in the economy is to put expansion plans on hold, to hunker down and ride out the storm in every way possible.

If you are caught in the credit squeeze, maybe that's all you can do, as you fight to keep the ship afloat in the turbulent seas of the business world. But, if you have been frugal in good times, have a good cash position and/or reliable financing sources, you couldn't find a better time to grow your business.

As any contrarian investor will tell you, there's a lot less shoppers and hence a lot of bargains to be had, whether you are looking for sound stocks to buy – I would imagine that Warren Buffett is licking his chops about now – or if you own or manage a business that is looking to expand your markets, your products or your expertise.

There is no better time to look at potential mergers and acquisitions! Let's look at a three potential scenarios:

Company A is a European sales organization that has invested in a Chinese manufacturing company to produce goods for sale throughout the European community. With the downturn, the company finds that sales are down significantly and that keeping the Chinese factory operating is straining both cash and financing. What better time to look at M&A to establish or expand domestic Chinese sales and/or to add complementary products for export to minimize the impact of lower demand.

Company B is a Chinese manufacturer who has a sound and growing domestic business in China, and they have considered expanding their market to include the United States and/or Europe.

There is no better time to do it through acquiring or merging with one or more companies with established customers in their targeted markets – that desperately needs cash to stay in business or that have already applied for bankruptcy protection.

Company C is a US based company with international operations and sales, with an emphasis on a narrow product line. Current economic client offers a great opportunity to expand their products through M&A for sale to their existing customer base.

In each of the above situations, the tough times we are experiencing offers a great opportunity for growth. It's time to expand your horizons. Prices may never be lower.

Next issue will be “**Ask for Help**”.

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